NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

THIS LEASE AGREEMENT is made this

PAID UP OIL AND GAS LEASE (No Surface Use)

Zrd

day of SEPTEM DEP

___, 2008, by and between

Joerneil	Narvon C	-196K-1	9 9117916	10150n	DIRIH	exas Irust	riggerne	<u> </u>
whose addresss is	2.0 BOX	51. Fo	rt Worth	Texa	5 71	6101	,	as Lessor,
and, DALE PROPERTY Shereinabove named as Le	SERVICES, L.L.C., 2	2100 Ross Aven	ue, Suite 1870 Dalla	is Texas 75201,	as Lessee. A	All printed portions of t	ssee.	pared by the party
described land, hereinafte	er called leased prem	ises:	the covenants herei	n contamed, Les	sor nereby gr	iants, leases and lets	Choladitoly to 200	see the lenewing
147				o	\		DI OOK	3
OUT OF THE	OF LAND, MOF	RE OR LESS,	BEING LOT(S)			ADDITION, AN	, BLOCK	
Fort Wor	th		TARRANT COU	NTY. TEXAS	ACCORE	DING TO THAT C	ERTAIN PLAT	RECORDED
IN VOLUME	1754	, PAGE	263	OF THE PL	AT RECOF	RDS OF TARRAN	IT COUNTY, TI	EXAS.
in the County of <u>Tarrar</u> reversion, prescription or substances produced in commercial gases, as we land now or hereafter ow Lessor agrees to execute of determining the amount	association therewiled as hydrocarbon garned by Lessor which at Lessee's request	th (including geo ases. In addition are contiguous any additional or	ophysical/seismic oper to the above-describ or adjacent to the ab supplemental instrum	producing and merations). The topic deased premisored leased premisored leases for a more of the production of the contents for a more of the contents for a	earketing oil a erm "gas" as ses, this lease ised premises complete or ac	used herein include e also covers accretions s, and, in consideration courate description of t	I hydrocarbon and s helium, carbon on ns and any small single of the aforemention he land so covered	non hydrocarbon lioxide and other trips or parcels of oned cash bonus, . For the purpose
2. This lease, which	h is a "paid-up" lease	requiring no ren	tals, shall be in force	for a primary terr	n of FIVE	(5)years from the da	te hereof, and for
as long thereafter as oil o otherwise maintained in e	effect pursuant to the	provisions hereo	f_					
separated at Lessee's se Lessor at the wellhead or the wellhead market price prevailing price) for proceeding price) for proceeding price, or Lessee shall have the cornor such price then prevaithe same or nearest precent wells on the leased are waiting on hydraulic fibe deemed to be product there from is not being seem there is being sold by Lessee following cessation of such terminate this lease.	eparator facilities, ther to Lessor's credit at e then prevailing in the duction of similar great for the excise taxes and the continuing right to purchilling in the same field reding date as the dapremises or lands practure stimulation, being in paying quantiticition by Lessee, then pository designated be shut-in or production from another well or choperations or productions.	e royalty shall be the oil purchase the same field (o trade and gravity 25 %) of the and the costs inchase such produind, then in the neate on which Less coled therewith a ut such well or we se for the purpos Lessee shall parellow, on or befor in there from is nowells on the least duction. Lessee'	r's transportation facing in the re is no such the re is no such the proceeds realized turred by Lessee in determined the resulting the recapable of either pells are either shut-in the recapable of either pells are either shut-in the recapable of either pells are either shut-in se of maintaining this syshut-in royalty of or the end of said 90-ot being sold by Lessed premises or lands sfailure to properly personners.	lities, provided the price then prevailing casing head by Lessee from elivering, process wellhead market ere is such a prevarchases hereund production the lease. If for a pene dollar per acreday period and the ee; provided that is pooled therewith any shut-in royalty	(25 % at Lessee she ing in the sai gas) and all the sale the sing or otherw price paid for er; and (c) if as or other sure from is not be interested on our then covere hereafter on o if this lease is 1, no shut-in for shall render	all have the continuing me field, then in the r I other substances or reof, less a proportionise marketing such gar production of similar oursuant to comparable at the end of the primabstances covered here being sold by Lessee, maccutive days such v d by this lease, such or before each annivers otherwise being mair royalty shall be due ur Lessee liable for the	to be delivered at L right to purchase searest field in which overed hereby, the nate part of ad value or other substant quality in the same e purchase contractry term or any time eby in paying quant such well or wells are shippayment to be mat sary of the end of stained by operation till the end of the 9 amount due, but shippayment due, but s	essee's option to uch production at h there is such a royalty shall be elorem taxes and ces, provided that field (or if there is ts entered into on thereafter one or titles or such wells shall nevertheless art-in or production let to Lessor or to aid 90-day period is, or if production 0-day period next tall not operate to
be Lessor's depository agdraft and such payments address known to Lessee payment hereunder, Less	gent for receiving pay or tenders to Lessor e shall constitute project sor shall, at Lessee's ded for in Paragraph deferment the sof Paragraph 6 corce if Lessee commer lands pooled therewern, or at any time tellculated to obtain or any 90 consecutive daying quantities from the dittional wells on the deferment per sor of the soft premises as to for compensated drainage.	ments regardless or to the deposis or to the deposis per payment. If the request, deliver the action of a sences operations with within 90 dayment the setting the	s of changes in the overtory by deposit in the he depository should to Lessee a proper reee drills a well which ther or not in paying any governmental author reworking an existy safter completion of asse is not otherwise in the refrom, this leas inched operations result the see or lands pooled there able of producing in	whership of said is US Mails in a statiliquidate or be sucordable instrume is incapable of piquantities) permathority, then in the sting well or for drift operations on subeing maintained e shall remain in the production method in the as a reasona paying quantities.	and. All payme amped envelope anything an additional and an additional and anything an additional and anything an additional and anything an additional and anything anything and anything anyth	ope addressed to the canother institution, or of other institution, as depaying quantities (hereings from any cause, inclease is not otherwistional well or for other within 90 days after. Lessee is then engages as any one or more of or other substances of a well capable of produpperator would drill und of premises or lands p	a made in currency, depository or to the or any reason fail of consistery agent to rechafter called "dry hocluding a revision of see being maintaine vise obtaining or resuch cessation of a ded in drilling, reworf such operations are overed hereby, as ucing in paying qualer the same or simpooled therewith, or	or by check or by Lessor at the last refuse to accept eive payments. Ite") on the leased of unit boundaries d in force it shall storing production. If at king or any other e prosecuted with long thereafter as intities hereunder, lar circumstances (b) to protect the
6. Lessee shall ha depths or zones, and as proper to do so in order tu unit formed by such pooli horizontal completion sha completion to conform to of the foregoing, the term prescribed, "oil well" mea feet or more per barrei, equipment; and the term component thereof. In e Production, drilling or reveworking operations on the contract of the contr	ive the right but not to any or all substate on prudently developed ing for an oil well whall not exceed 640 actions a well spacing or no "oil well" and "gasting as a well with an initional based on 24-hour in "horizontal completion in "horizontal completions as working operations at the leased premises,	the obligation to proceed by or operate the lead of or operate the lead of the	this lease, either be ased premises, whethortal completion shall the ased premises, whethortal completion shall the meanings prescribed the meanings prescribed the meanings prescribed under nor oil well in which the total well in which the hold the same shall file of the mit which includes all production on which	fore or after the open or not similar part of the exceed 80 are of 10%; provided for permitted by ibed by applicably biblic feet per barremal producing ochorizontal componentational componentation or any part of the Lessor's royalty is	commenceme booling author cres plus a man day	rity exists with respect naximum acreage tole ir unit may be formed if ental authority having j appropriate government ill" means a well with a ig standard lease sep gross completion inter ss completion interval escribing the unit and emises shall be treate	never Lessee deen to such other lands rance of 10%, and so ran oil well or gas urisdiction to do so tal authority, or, if an initial gas-oil ratio arator facilities or roral in facilities or in the reservoir ex stating the effectivid as if it were profit to total unit profit and to the total unit profit to total unit profit total unit pr	ns it necessary or or interests. The for a gas well or a well or horizontal. For the purpose no definition is so of 100,000 cubic equivalent testing equivalent testing ceeds the vertical e date of pooling duction, drilling or duction which the

rewarking operations on the leased premises, except that the production on which Lessor's royalty is calculated shall be that proportion of the total unit production which the net acreage covered by this lease and included in the unit bears to the total gross acreage in the unit, but only to the extent such proportion of unit production is sold by Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling rights hereunder, and Lessee shall have the recurring right but not the obligation to revise any unit formed hereunder by expansion or contraction or both, either before or after commencement of production, in order to conform to the well spacing or density pattern prescribed or permitted by the governmental authority having jurisdiction, or to conform to any productive acreage determination made by such governmental authority. In making such a revision, Lessee shall file of record a written declaration describing the revised unit and stating the effective date of revision. To the extent any portion of the

leased premises is included in or excluded from the unit by virtue of such revision, the proportion of unit production on which royalties are payable hereunder shall thereafter be adjusted accordingly. In the absence of production in paying quantities from a unit, or upon permanent cessation thereof, Lessee may terminate the unit by filing of record a written declaration describing the unit and stating the date of termination. Pooling hereunder shall not constitute a cross-conveyance of interests.

- 7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in such part of the leased premises
- 8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter separately in proportion to the interest which each owns. It bessee transfers its interest hereunder in whole or in part bessee shall be leaded of an obligations with respect to the transferred interest, and failure of the transferree to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

 9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of
- the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.
- in accordance with the net acreage interest retained hereunder.

 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which leased premises or lands pooled therewith. When requested by Lessor in other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures,
- equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

 11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

 12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon
- expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offer, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fitteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

 13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and
- there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.
- 14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

 15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes,
- mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shul-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.
- Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other 16. operations
 - se may be executed in counterparts, each of which is deemed an original and all of which only constitute one original

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be affective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's

ESSOR (WHETHER ONE OR MORE)	>	
y: Soemeil Narron Clark DIBIH Texas Trust Properties	Ву:	
TATE OF TEXAS	ACKNOWLEDGMENT	
OUNTY OF Tarrant This instrument was acknowledged before me on the 3th Toemell Narron Clark, a Single	day of SEPTEME	vet Properties
Joemen L Narron Clark, a Single	person DBA Texas TV	7 Properties
EDWARD PADILLA Notary Public, State of Texas My Commission Expires July 29, 2012	Notary's nam	c, State of Town S le (printed): phission expires:
TATE OF		
OUNTY OF		



DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

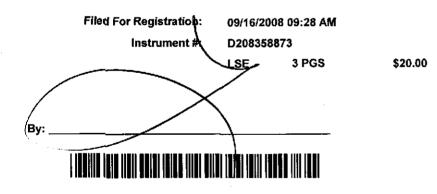
DALLAS

TX 75201

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.



D208358873

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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